Developing ODA Evaluation Methodology for Technical Cooperation

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I. Introduction

In 2020, the OECD DAC donors' technical cooperation (TC) [1] projects and programs amounted to USD 9.02 billion, accounting for 7% of total bilateral ODA (Figure 1). The proportion of Korea's TC activities stands at a higher figure of 11.8%, but these tend to be small in scale, with 14 out of 31 agencies operating on a total budget of less than USD 1 million for TC interventions. This is somewhat inevitable, as Korea typically supports free-standing TC in the form of training programs or policy consultations, etc.

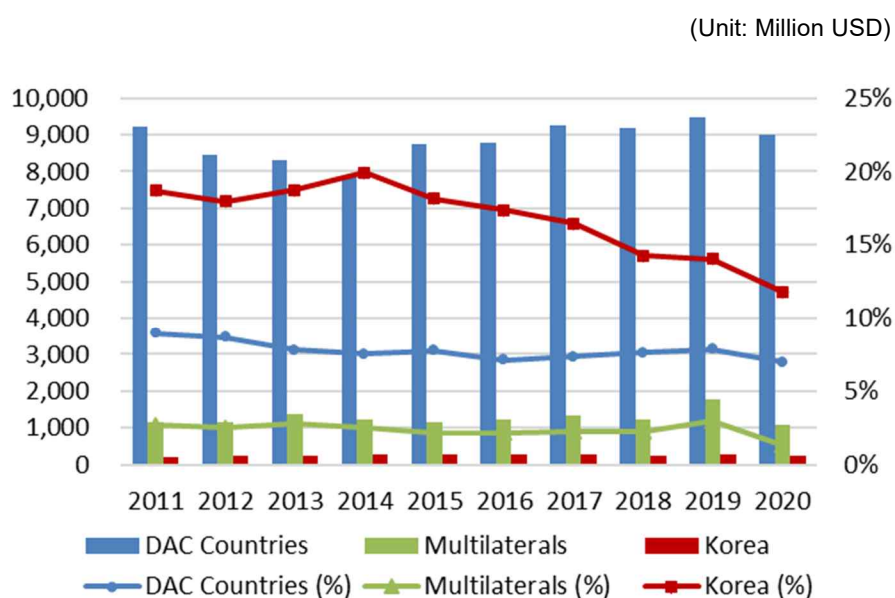Meanwhile, according to Korea's official guidelines on evaluating international development cooperation, aid implementing agencies are obligated to report a minimum of two evaluations per year to the Committee for International Development Cooperation. [2] However, for small-sized TC interventions, the outcomes are often intangible and long-term, so it is unclear when – or whether – the project will produce detectable results. It also poses a strain on ODA agencies with meager budgets to allocate separate financial and human resources for evaluations. Against this background, this study aims to design a practical and useful evaluation framework for Korea's TC projects, toward which current issues in TC evaluation were analyzed and case studies of major donors' evaluation systems were examined.

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[1] Technical cooperation (TC), also called technical assistance (TA), is defined as "activities designed to increase the capacity of developing countries." It consists of (1) study assistance through scholarships and training; (2) provision of personnel – experts, teachers and volunteers – from the donor country, or funding of such personnel by the recipient or other developing countries; and (3) research on the issues of developing countries (OECD 2006).

[2] This is mandatory for implementing agencies with an ODA budget of KRW 1 billion or more; those with a budget of less than KRW 1 billion report one evaluation in every two years.

Figure 1. Volume and Share of Technical Cooperation ODA (2011-20)

(Unit: Million USD)

Note: 2020 constant prices, gross disbursements
Source: OECD.Stat. Creditor Reporting System (CRS).

II. Trends and Key Issues in TC Evaluation

This study analyzed the evaluation systems and reports of six multilateral organizations – UNDP, FAO, World Bank, ADB, IDB, and WTO – and four bilateral development agencies – GIZ (Germany), JICA (Japan), AFD Group (France), and Sida (Sweden). The results sufficiently establish that Korea is not alone in facing the challenges of TC evaluations, and most of the organizations examined were tackling the issues by reducing the formality and burden of evaluations. This section elaborates on the findings and lessons learned from these case studies.

1. Selection Criteria for TC Evaluation

Many bilateral and multilateral donors have a set of standards – such as project budget, sector, region, usefulness – that are considered when deciding whether or not a project is to be evaluated. For example, projects with a value greater than 3 million euros are sampled for evaluation at GIZ; JICA performs external evaluations only for projects worth one billion yen or more. AFD considers a wide range of criteria – sector, country/region, evaluability, and the level of difficulty of the project – when selecting projects to evaluate. These are for long-term (at least two years) and large-scale TC projects. On the other hand, development banks, e.g., World Bank and ADB, conduct a validation or review of all TC completion reports, while they also evaluate clusters of TC activities on the basis of evaluation needs.

There were not many cases where short-term or small-scale TC activities were individually

evaluated other than the simplified, review-type evaluation as in WB and ADB. When evaluation is necessary, these projects are clustered into a comprehensive (thematic, sectoral, regional, etc.) evaluation. Such practices are common at WB, ADB, IDB, WTO and Sida, where similar types of training programs are collectively evaluated to offer insights that can be used to improve future TC activities and institutional strategies.

Korea also conducts what is called a "comprehensive evaluation," but in many cases this is little more than a mere collection of individual project evaluations, which is not consistent with the purpose of conducting "comprehensive" evaluation and hardly contributes to organizational learning. To enhance the economic feasibility and usefulness of TC evaluations, it would be necessary to select projects to be evaluated by first setting a clear purpose for evaluation and defining the expected results.

2. Types of TC Evaluation

While the most common type of TC evaluation is an end-of-project evaluation conducted at the time of completion, interim evaluations and ex-post evaluations are also carried out depending on the evaluation needs. Bilateral aid agencies, such as GIZ and AFD, often employ interim evaluations as a preliminary study for a follow-up project. Ex-post evaluations are conducted for large-scale interventions with a well-defined result framework and evaluation methods.

The type of evaluation also affects the scope of assessment. End-of-project evaluations focus on the process, outputs, and outcomes achieved upon project completion, while ex-post evaluations may cover longer-term outcomes and impacts of the intervention in addition to the aforementioned elements. Due to their nature, interim evaluations focus on the project structure, processes, and inputs so that the evaluation results can feed into improving the project and follow-up initiatives. It is notable that many donors evaluate not only the achievement of outputs and outcomes, but also the quality and process (such as activities and inputs) employed to attain these results.

In terms of coordination and management, the case studies showed that most bilateral donors have an independent evaluation department at their headquarters. There is a clear division of labor between the headquarters (evaluation department) and the field offices: end-of-project evaluations are mainly led by the field offices while comprehensive or cluster evaluations are managed by the evaluation department. Multilateral institutions conduct both internal and external evaluations, whereas bilateral donors mostly outsource their evaluations.

Applying these lessons directly to Korea's TC evaluation system is not very feasible, as most Korean ODA agencies do not have field offices and there are limitations to securing financial and human resources for evaluation. Also considering the capacity of Korea's ODA evaluation ecosystem, the quality of evalua-

tion may not be guaranteed when commissioned to an external party. Alternatively, a simplified evaluation, as conducted by the World Bank and the ADB, would be more appropriate for small-scale TC activities. This is done by having the project team review the project internally, after which an external evaluator confirms the validity of these results. Such a method can be employed to guarantee minimum accountability and learning opportunities even with a small evaluation budget.

3. Methodological Aspects

As can be inferred from the previous sections, it was found that major donors approach TC evaluation differently depending on the evaluability of the intervention. For those with high evaluability, it is possible to define indicators and collect data starting from the project design stage, and use traditional evaluation methodologies such as theory of change. Even using such approaches cannot eliminate all uncertainties and difficulties in measuring the performance of TC activities. To resolve these issues, many donors focus on qualitative indicators for assessment, and some differentiate between direct and induced (indirect) outputs, measuring them both to gauge the whole effect of the TC intervention.

UNDP specifically analyzes the extent of capacity development at the individual, institutional, and society level. Similarly, other multi-lateral agencies emphasize the qualitative aspects of the project, such as the partner country's institutional and policy changes, improvements in high-level leadership, and sustained partnerships, etc. in evaluations. In most cases, it is inherently difficult to quantify the indicators for TC interventions. Thus, AFD and Sida generally set qualitative goals, such as enhanced knowledge of the training participants and improvement of national policies and management capacity, for their indicators.

TC projects that do not have high evaluability, on the other hand, are subject to a simplified evaluation, in which there are a set of items to be reviewed or checked as part of the final project report. Although this methodology may lack sophistication, as it does not require a formal set of indicators or a logic model, it would be sufficient to assess the results of individual small-scale TC projects.
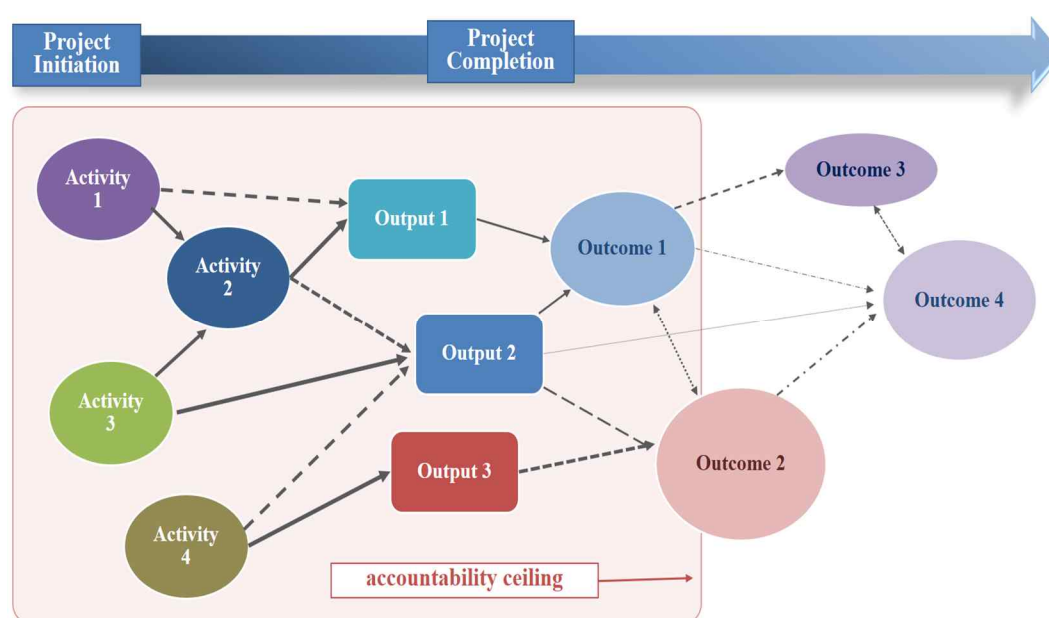
It is worth noting that most donors apply the OECD DAC evaluation criteria, but cater them according to needs. As can be seen from the cases of JICA, AFD, UNDP, FAO, etc., impact is often assessed in conjunction with effectiveness or forgone altogether in TC evaluations. An assessment of sustainability normally measures the lasting net benefit of the project, but some donors have interpreted it differently for TC evaluations, examining if the TC modality will continue to be viable or demanded by the partner country.

III. Recommendations for Systematic TC Evaluation

As previously demonstrated, the main challenge in TC evaluations is defining and examining project results. This is especially the case for Korea's TC ODA, which is small in volume. As such, there is a need to differentiate between outcomes that can be directly achieved by the project and those that are uncertain (due to incontrollable external factors) and manage these outcomes separately. This can be done by setting an "accountability ceiling" in the result model, which allows to set the scope of accountability, and ultimately, that of the evaluation. This is helpful because it clearly identifies the appropriate data and indicators needed to be collected and analyzed for the achievement of outcomes. Figure 2 provides a representative example of an accountability ceiling for TC interventions, where all inputs and outputs, and a part of outcomes in the result model, are defined within the ceiling. It should be noted that, in the long term, it is necessary to track the outcomes outside the ceiling, preferably through an ex-post evaluation.

Figure 2. Accountability Ceiling in TC Result Model

Source: Author.

Drawing from the analysis above, this study proposes a TC project management and evaluation system which can be applied to Korea's typical TC activities. It consists of four stages: (1) implementation and monitoring, (2) project completion re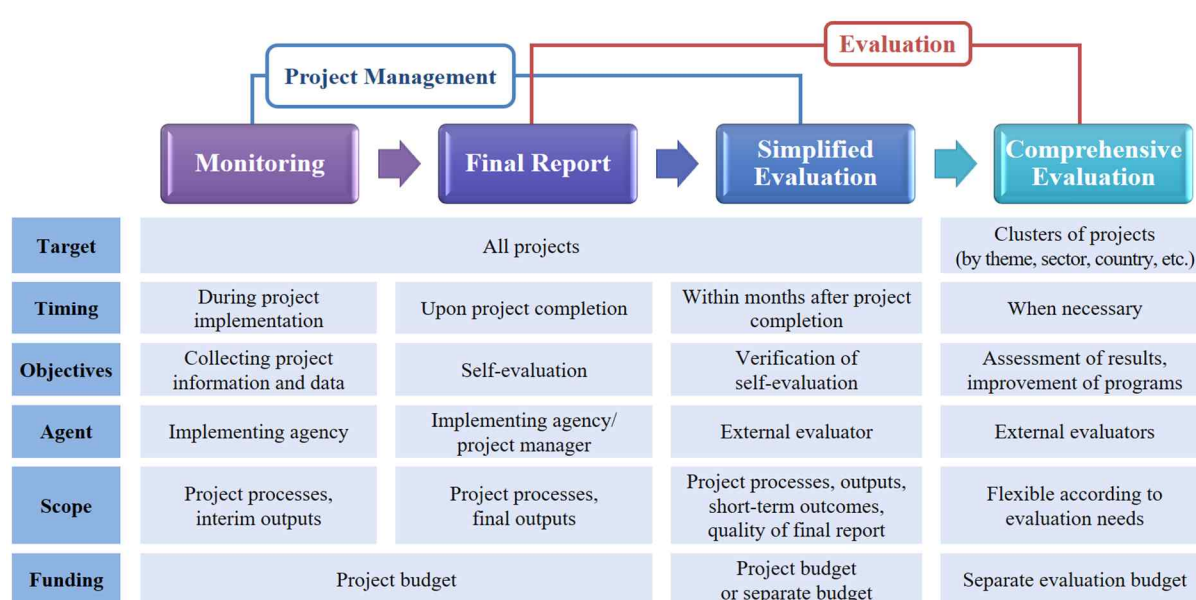port and self-evaluation, (3) a simplified evaluation, and (4) a comprehensive evaluation (Figure 3). The first step – and prerequisite – is to collect data and information through systematic monitoring during project implementation. Then, upon project completion, the project team conducts a self-evaluation

as part of the final report. The purpose of this self-evaluation is to take stock of the experience and lessons learned during project implementation that can be accumulated as organizational knowledge. Third, a simplified end-of-project evaluation is executed, in which an external evaluator verifies the quality of the project completion report and the self-evaluation. This is done not only to analyze the results further, but also to complement the lack of objectivity in the self-evaluation. As the final step, an ex-post comprehensive evaluation may be conducted by grouping select TC projects according to needs. This should be carried out by an independent (external) team with a separate evaluation budget.

For simplified evaluations, the following template is offered as a guideline: (1) performance assessment, (2) lessons learned, and (3) quality of the final report. To assess performance, the project is evaluated on the criteria

of relevance, effectiveness, and efficiency. Since impact and sustainability are difficult to measure at this stage, these may be omitted, but it would be good practice to document relevant information (especially on sustainability) for future reference. For lessons learned, the evaluator can provide an opinion on the main findings and recommendations presented in the final report. Remarks regarding the partner institutions and country, and considerations for implementing similar or follow-up projects, may be noted as well. In the final section, the quality of the project completion report – such as consistency of results, reliability of the data and analysis, and feasibility of the lessons learned – is reviewed to ensure accountability. The evaluator may recommend that further evaluation is necessary depending on the importance of the project, and can select the project to be included in a comprehensive evaluation.

Figure 3. Four-step TC Evaluation Methodology

	Monitoring	Final Report	Simplified Evaluation	Comprehensive Evaluation
Target	All projects			Clusters of projects (by theme, sector, country, etc.)
Timing	During project implementation	Upon project completion	Within months after project completion	When necessary
Objectives	Collecting project information and data	Self-evaluation	Verification of self-evaluation	Assessment of results, improvement of programs
Agent	Implementing agency	Implementing agency/ project manager	External evaluator	External evaluators
Scope	Project processes, interim outputs	Project processes, final outputs	Project processes, outputs, short-term outcomes, quality of final report	Flexible according to evaluation needs
Funding	Project budget		Project budget or separate budget	Separate evaluation budget

Source: Author.

IV. Conclusions and Way Forward

This step-by-step TC evaluation mechanism will allow small-scale ODA implementing agencies to conduct evaluations with limited funding while maximizing the utility of the evaluations. In order for these measures to be effectively applied, each implementing agency should clearly define the purpose of evaluation and establish a comprehensive performance management system for TC projects. Moreover, TC evaluations should focus on identifying the strengths and weaknesses of the project and areas for improvement by including various qualitative measures in addition to quantitative outputs.

On the institutional side, the Committee for International Development Cooperation should encourage flexibility in the methods of TC evaluations, and provide a standard of quality for TC projects so that each agency can independently manage the quality of its projects. In addition, conducting a committee-level evaluation of TC projects may also be considered, including recommendations for applying a systematic evaluation method to increase the overall effectiveness of TC interventions.

Ultimately, in order to enhance the effectiveness of TC projects, Korea should make efforts to move from small-scale, short-term activities to program-type interventions that can generate development results. In the current fragmented system of implementing TC ODA, the priority is to strengthen each agency's M&E system; in the long run, it is essential to establish the objectives of TC evaluation from an integrated perspective. In tandem, methods to create synergies with financial cooperation should be developed through a thorough analysis of the strengths and weaknesses of Korea's TC ODA. KIEP

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